

### **DETAILED ACTION**

This is a non-final first Office action on the merits. Currently, claims 1-9 are pending.

#### ***Election/Restrictions***

Applicant's election without traverse of claims 1-9 in the reply filed on November 18, 2007 is acknowledged.

Claims 10-21 are withdrawn from further consideration pursuant to 37 CFR 1.142(b). Election was made **without** traverse in the reply filed on November 18, 2007.

#### ***Claim Objections***

Claims 1, 8, and 9 are objected to because of the following informalities: minor grammar issues. Appropriate correction is required.

As per claim 1, part (f) recites "calculating , the forecast contribution margin for all the assembly plants is calculated." Examiner requests that applicant check the grammar of this limitation and amend as necessary.

As per claim 9, part (i) recites "rating property locations based on the a . . . ." Examiner suggests replacing "the a" with "the."

Claims 1, 8, and 9 recite "proper loss risks measures." Examiner believes that applicant meant to recite "property" rather than "proper" as per the title of the application.

#### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1-9 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

As per claim 1, it would not be clear to one of ordinary skill in the pertinent art to determine how steps (a)-(h) are related to one another. For example, it is not clear how steps (a)-(e) are used to calculate the contribution margin of steps (f) and (g). Furthermore, it is not clear how the contribution margins obtained in steps (f)-(g) are used to conduct the evaluation of proper loss risks measures recited in step (h). These limitations are discussed in paragraphs [40]-[41] of applicant's disclosure. Paragraphs [40]-[41] are not sufficient to enable one of ordinary skill in the pertinent art to make and/or use the claimed invention.

The dependent claims 2-9 are also rejected because they fail to add substantial limitations to remedy the deficiencies of the claims that they depend from.

As per claims 4 and 5, it would not be clear to one of ordinary skill in the pertinent art to determine how excess capacity would influence location availabilities.

As per claim 9, it would not be clear to one of ordinary skill in the pertinent art to determine how steps (a)-(h) of claim 1 are used to rate the property locations as recited in claim 9. Paragraphs [40]-[41] are not sufficient to enable one of ordinary skill in the pertinent art to make and/or use the claimed invention.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-9 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

For a claimed invention to be statutory, the claimed invention must produce a useful, tangible and concrete result. An invention which is eligible for patenting under 35 U.S.C 101, is in the “useful arts” when it is a machine, manufacture, process or composition of matter, which produces a useful, concrete and tangible result. The fundamental test for patent eligibility is thus to determine whether the claimed invention produces a useful tangible and concrete result. See *AT&T v. Excel Communications Inc.*, 172 F.3d at 1358, 50 USPQ 2d at 1452 and *State Street Bank & Trust Co. v. Signature Financial Group, Inc.*, 149 F.3d at 1373, 47 USPQ 2d at 1601 (Fed. Cir. 1998). The test for practical application as applied by the examiner involves the determination of the following factors:

a) “useful” - The Supreme Court in *Diamond v. Diehr* requires that the examiner look at the claimed invention as a whole and compare any asserted utility with the claimed invention to determine whether the asserted utility is accomplished. Applying utility case law the examiner will note that:

i. utility need not be expressly recited in the claims, rather it may be inferred.

- ii. if the utility is not asserted in the written description, then it must be well established.

b) “tangible” - Applying *In re Warmerdam*, 33 F.3d 1354, 31 UAPQ 2d 1754 Fed. Cir. 1994), the examiner will determine whether there is simply a mathematical construct claimed, such as a disembodied data structure and method of making it. If so, the claim involves no more than manipulation of an abstract idea and is, therefore, nonstatutory under 35 U.S.C 101. In *Warmerdam*, the abstract idea of a data structure became capable of producing a useful result when it was fixed in a tangible medium, which enabled its functionality to be realized.

c) “concrete” - Another consideration is whether the invention produces a “concrete” result. Usually, this question arises when a result cannot be assured. An appropriate rejection under 35 U.S.C 101 should be accompanied by a lack of enablement rejection, because the invention cannot operate as intended without undue experimentation.

In the present case, claim 1 does not produce a useful, concrete, or tangible result. The steps outlined in claim 1 do not produce a useful real-world result. Claim 1 merely recites gathering data and performing calculations that lead to an abstract “evaluation.” This abstract evaluation also lacks tangibility. Claim 1 also lacks concreteness because it does not produce a substantially repeatable result. Any number of evaluations could be performed according to the claim, each resulting in a different result.

The dependent claims 2-8 are also rejected because they fail to add substantial limitations to remedy the deficiencies of the claims that they depend from.

Claim 9 does not produce a concrete result because it is not substantially repeatable with the same result. As mentioned above, any number of evaluations could be conducted that would

lead to a different ranking of the locations. Furthermore, it is not clear how the location ratings depend from the results of the evaluation. Thus, different people conducting the same evaluation could end up with different ratings. Therefore, the rating of claim 9 is not substantially repeatable with the same result; thus, claim 9 lacks concreteness.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-3 and 6-9 are rejected under 35 U.S.C. 102(e) as being anticipated by U.S. pre-grant publication number 2005/0171877 to Weiss (“Weiss”).

As per claim 1, Weiss discloses a method for evaluating an organization’s institutional risk comprising the steps of:

acquiring data with respect to a manufacturing system (see paragraph 4: disclosing gathering data on proximity to transportation routes, utility costs, and workforce skill; paragraph 170: disclosing calculating operating costs; paragraphs 183-184: disclosing calculating data based on utilities and employees);  
calculating location availabilities for manufacturing (see paragraph 4: disclosing deciding where to expand a business based on various factors; paragraph 7:

disclosing investigating and comparing business locations; paragraph 9 and 159:

disclosing arriving at a list of candidate locations based on an investigation);

calculating constrained availabilities due to production limitations (see paragraphs 4-5:

disclosing determining constraints based on work force limitations);

calculating forecasted and actual production of components (see paragraphs 191-193:

disclosing where expected sales are calculated);

assessing the production mix for a production facility (see paragraphs 191-193:

disclosing where expected sales are calculated);

calculating the forecast contribution margin for all of the assembly plants (see paragraphs 5, 161-162, and 190-193: disclosing calculating financial conditions for the foreseeable future; paragraph 13: disclosing estimating the relative cost of doing business for each location; paragraph 171: disclosing determining the bottom line for each location);

calculating the actual contribution margin for each assembly plant under a business interruption loss (see paragraphs 13 and 190-193: disclosing estimating the relative cost of doing business for each location; paragraph 14: disclosing comparing locations based on budgets and employee projections; paragraph 15: disclosing comparing locations based on changes in conditions; paragraph 171: disclosing determining the bottom line for each location); and

conducting an evaluation as to proper loss risks measures (see paragraph 7: disclosing investigating and comparing business locations; paragraphs 11 and 160: disclosing

ranking locations based on decision criteria; paragraph 190: disclosing an evaluation based on pessimistic scenarios).

As per claim 2, Weiss discloses acquiring data on one of a manufacturing site inside the organization, a manufacturing site outside the organization (see paragraph 183: disclosing calculating labor costs at an existing location and potential locations).

As per claim 3, Weiss discloses acquiring data from one of a rail line or port of entry for components (see paragraphs 4, 155, and 199: disclosing determining proximity to transportation terminals, including railways and rivers).

As per claim 6, Weiss discloses wherein calculating location availabilities for manufacturing is one of calculating the cost to mitigate risks by the purchasing of insurance and calculating the cost to mitigate risks by using multiple component suppliers (see paragraph 219: disclosing including insurance in the costs of doing business in a particular location).

As per claim 7, Weiss discloses wherein calculating actual contribution margin for each assembly plant is one of calculating actual contribution margin for each assembly plant with no business resumption or calculating actual contribution margin for each assembly plant with no mitigation effort (see paragraphs 13 and 190-193: disclosing estimating the relative cost of doing business for each location; paragraph 14: disclosing comparing locations based on budgets and employee projections; paragraph 15: disclosing comparing locations based on changes in conditions; paragraph 171: disclosing determining the bottom line for each location).

As per claim 8, Weiss discloses a method wherein conducting an evaluation as to proper loss risks measures is conducting an evaluation as to one of contribution margin lost, total vehicles lost, and total number of sites impacted (see paragraph 7: disclosing investigating and

comparing business locations; paragraphs 11 and 160: disclosing ranking locations based on decision criteria; paragraph 190: disclosing an evaluation based on pessimistic scenarios).

As per claim 9, Weiss discloses a method including the step of rating property locations based on the property loss risks measures (see paragraph 7: disclosing investigating and comparing business locations; paragraphs 11, 160, and 212: disclosing ranking locations based on decision criteria).

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 4-5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Weiss in view of U.S. pre-grant publication number 2003/0050870 to Cargille et al ("Cargille").

As per claims 4-5, Weiss does not explicitly disclose wherein calculating location availabilities for manufacturing is calculating excess capacity or the carrying cost of excess capacity.

Cargille teaches calculating excess capacity and its related costs (see paragraphs 37 and 46).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to include the excess capacity cost calculations of Cargille into the overall costs of doing business at a particular locations, associated with the invention of Weiss (paragraph 219).



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One of ordinary skill in the art would have been motivated to do so in order to include all possible costs in their evaluation of location availabilities.

***Additional Prior Art***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

U.S. pre-grant publication number 2003/0149657 to Reynolds et al, directed to measuring and managing operational risk.

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Neil R. Kardos whose telephone number is (571) 270-3443. The examiner can normally be reached on Mon-Thu and alternating Fridays from 7:30 to 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tom Dixon can be reached on (571) 272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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